

**BOARD OF INVESTMENT TRUSTEES
MONTGOMERY COUNTY EMPLOYEE RETIREMENT PLANS**

MINUTES – OPEN SESSION

May 21, 2010
101 Monroe Street, 15th floor
Rockville, Maryland

Board Members Present:	Kelda Simpson Joe Adler Steve Farber Jeff Sharpe Jeff Buddle Lodge Gillespie Joe Beach Jennifer Barrett George Willie Sunil Pandya Walt Bader (via conference call)
Staff:	Linda Herman Brad Stelzer Stuart Potter Patrick O'Brien
Others Present:	Mark Brubaker, Wilshire Associates Mike Dudkowski, Wilshire Associates Brad Atkins, Franklin Park Amy Moskowitz, Counsel to the Board

CALL TO ORDER

Ms. Simpson called the open session of the Board to order at 8:31 a.m.

DETERMINATION OF MEETING

The Board unanimously approved a motion to move into closed session at 8:32 a.m. for the purpose of discussing the investment of public funds, pursuant to Maryland Code, State Government Article, 10-508(a)(5).

Ms. Simpson called the open session of the Board to order at 11:45 a.m.

Approval of the Minutes: Mr. Buddle moved and Mr. Farber seconded, and the Board unanimously approved the minutes of the March 19, 2010 meeting.

Compliance & Audit Committee Report: Ms. Herman presented the Compliance & Audit Committee report on the annual disclosures of political contributions and gifts/benefits from vendors and investment managers for the year ending December 31, 2009. She noted that some of the private fund managers had reported expenses paid for staff to attend annual meetings while others had not, and requested that the Board consider amending the annual disclosure to clarify what reporting should be required by adding the following: except expenses paid in association with attendance at an annual meeting or client conference for which payment of expenses has been offered to all other clients and/or Advisory Board members. The Board discussed the recommendation, and Mr. Beach moved and Mr. Farber seconded and the Board approved, the following resolution:

1005-05 *Resolved, That the Board approves the change to the annual vendor and manager disclosure form as presented.*

ERS – FY 11 Employer Contributions: Mr. Herman informed the Board that the County would be withholding the payment of the ERS employer contributions for July and August until September resulting in the need to redeem investments to cover the benefit payments for July and August, approximately \$14 million.

RSP/DCP Lifecycle Fund Review: Mr. O'Brien presented the analysis of life cycle funds noting current legislation being introduced requiring more disclosure to plan participants. He discussed the current allocation, fees and performance of the Fidelity Freedom Funds and the BlackRock Lifepath funds against the various benchmarks.

Wilshire – Market/Performance Update: Mr. Brubaker noted the ERS total fund results ranked just above median for the one year ending March 31 but ranked in the top quartile for three and five years and discussed the attribution of the performance by investment sector. The Board requested Wilshire provide additional attribution of the underlying peer group to identify the source of the Plan's outperformance.

Franklin Park – Market/Performance Update: Mr. Atkins commented on recent fund raising activities and deal activity in the buyout and venture capital sectors.

There being no further business of the Board, the open meeting session was adjourned at 12:15 a.m.

Respectfully submitted,

Joseph Adler, Secretary